

Accomplishments for Fiscal Year 1954

1. The development and issuance of a comprehensive quarterly Agency Financial Statement which combines and presents in more usable form the financial data previously contained in separate reports.
2. The increased use of business machines for the collection and compilation of basic data for the reports and the use of data contained on IBM machine records for the purpose of developing statistical and financial data broken down by organizational element and by Agency program.
3. The elimination of the photo plate process for the reproduction of the Agency Financial Statement and the substitution of the use of direct offset plates. This permits the reproduction of the Agency reports with fewer man hours at the printing plant and shortens the time necessary for the reproduction and reduces substantially the cost of the preparation of these reports.
4. The reconciliation of the expenditure records maintained by various components of the Office of the Comptroller and the establishment of a uniform series of data for expenditures by fiscal year from the inception of CIA to date.
5. Refined budget submission process to provide for preliminary planning which the Director can use to determine the over-all scope of operations and also as a basis for making budget allocations to the various offices.
6. The method of determining program costs has been improved to the extent that presentation of the Agency budget on a program basis has become reasonably valid. This approach has directed the thinking of those reviewing budgetary requirements towards programs and costs of programs rather than just organization and object class costs.
7. An operating budget plan was introduced whereby the various offices submitted their programs and cost requirements on a current basis. This approach provides a sound basis for review of programs immediately prior to the beginning of the beginning of the fiscal year for which the request is being made. In addition, it provides a sounder basis on which to make allocations and allotments of funds.
8. The Budget Division has developed and installed a business type budget procedure for the proprietary activities. This procedure involves the submission of operating budgets together with the regular business financial statements. With this information a better analysis can be made of the financial requirements of the proprietary activities and decisions can be made on a sounder basis.
9. A special report has been developed to present a summary analysis of Agency obligations and expenditures. This report is submitted to the Bureau of the Budget and more accurately reflects the funds situation in this Agency than the form 133 normally required of governmental agencies.

~~CONFIDENTIAL~~
~~SECRET~~

10. Quarterly reports on Proprietary, Subsidy, and Special Projects were initiated to provide all interested Agency elements with current information regarding the status of these Projects. It is felt that the dissemination of this information in a report form will result in the correction of many of the deficiencies and delinquencies now existent in the accountings from these projects.

B. Objectives for Fiscal Year 1955

1. Improvement in the content and format of the quarterly Agency Financial Statement by a refinement in the data already contained, by the inclusion of elements which have been included in previous issues only in part or not at all, and a change in the format to make the Statement more readily understandable by individuals not versed in technical accounting matters.
2. An increase in the programs to be analyzed and the preparation of over-all reports for the Deputy Director (Administration).
3. The development of concise and continuing financial data in a form readily understandable and in a form available for day-to-day use by top management.
4. Further refinement of the preliminary and operating budget procedures.
5. The preparation and issuance of a complete budget manual in regulation form to replace budget notices.
6. The improvement of budgeting as an information tool of control by developing a budgetary reporting system designed to give an analytical comparison of the actual operating results with the budget plan.
7. The further coordination of accounting and budgetary data in order to improve the cost information on which operating analyses and operating policy decisions can be based.

UTILIZATION OF MACHINE RECORDS FACILITIES

1. Accomplishments for Fiscal Year 1954

1. Extended application of machine records procedure for maintaining financial and accounting control over Agency property, both in stores and in use, to a major field area.
2. The utilization of all equipment has been increased from 63% for Fiscal Year 1953 to 66% for Fiscal Year 1954. Utilization of high rental equipment has increased from 74% in Fiscal Year 1953 to 78% in Fiscal Year 1954. This has been accomplished through the use of improved procedures, more experienced personnel, and use of management operating reports.
3. Obtained a mechanical device to drill binding holes in continuous form tabulating paper for use with special binders in filing reports prepared for offices. Procurement of the drill and the extension of the use of this binding procedure into other areas results in a savings of \$3,000 per year.
4. Reduced the annual rental of all tabulating equipment by \$26,853. This reduction was made possible by improvements in operating procedures, machine utilization, scheduling, and types of equipment used.
5. Devised a continuous form for use in preprinting unvouchered payroll change notices by machine. This form is now preprinted mechanically from basic payroll punched cards and saves the Payroll Branch an estimated 120 man hours each month.
6. Designed a new card form for employee statements of earnings and deductions. Use of this form eliminated the necessity for preparing Time and Attendance reports in duplicate and created an immediate savings of approximately \$600.00 by making possible the salvage of the second copies of unused Time and Attendance forms on hand. An additional annual savings of \$2,000 is realized because of the lower cost of the single copy form.
7. Established a mechanical system for compiling production records for the Printing and Reproduction Division. Reports resulting from this project have enabled the subject division to establish production standards, compile more accurate cost figures, and conduct other management studies on a current and comprehensive basis.
8. Developed an Agency position control register. In establishing this project, a means was created whereby Management can be given an over-all Agency report of tables of organization versus assigned personnel, unassigned personnel, vacant positions, and other related studies.
9. Installed for the Records Management Division machine procedures for indexing and controlling Agency forms. This is a comparatively small project in card volume, but it established a method of maintaining a forms index and control system.

10. Installed a new style form feed device on accounting machines. By using this device, it is possible to prepare reports with information space 8 instead of 6 lines to one inch of paper. Some elements serviced have been induced to accept historical reports spaced in this manner with a resultant savings of 25% in the amount of paper used in these reports.
11. Revision of existing and addition of new reports and procedures.
 - a. All existing personnel reports have been revised to include more pertinent information than on separate reports. Schedules for submission of Applicant and Employee Qualification Registers have been changed from a monthly to a quarterly basis, providing time for processing more additional reports. New personnel reports include: Career Designation Detail Report; Career Designation Summary Reports; Executive Registry Report; Change of Funds Report; Report of Personnel Actions; Longevity Computation Date Report; Consultants Lists; L.W.O.P. Reports; Weekly Strength Report; Weekly Accessions; Weekly Separations; Date of Grade Report; Promotion Report; Agency Transfer Report; Staff Agent Reports.
 - b. New financial reports include: Monthly and Cumulative Project Costs; Accounts Payable, Property; Accounts Payable, Transportation; Continuing Advances; Distribution of Cash Available to Finance; Current Income, Miscellaneous Receipts; Transfer Authorizations Issued; Transfer Authorizations Received; Advances to Projects; Daily Allotment Item List; Chart of Allotments.
 - c. Reporting periods for submission of stock on hand status reports were changed from a weekly to a semi-monthly basis. This scheduling change was instrumental in providing the time required for the processing of a larger volume of transactions and several additional reports. New logistics reports include: Average Price Computation; Price List; Critical Items Report; Issue Summary; Credit Item Detail; Ledger Posting Report; Semi-annual Transaction Register; Issue, Demand and Budget Reports for Commo Items; Audit Office Reports.
 - d. New special reports include: FE Personnel Reports (DD/P); Liaison Contacts (DD/P); Other Official Cover (DD/P); Records Integration (FI); Hospital and Surgical Claims; Agency Forms Index; Subject Index; Security Badge Reports.
 - e. Revision of the panel controlling accounting machine functions, reduced by 35% the time required for printing checks for unvouchered payrolls. New unvouchered payroll reports include: Current Costs; Costs to Date; Budget Reports; Retirement Reports.
 - f. New vouchered payroll reports include: Budget reports; Employee Earnings Data for Personnel Assistant; Leave and Overtime Reports for certain offices.

B. Objectives for Fiscal Year 1955

1. Assist each element serviced in developing a comprehensive program detailing advance requirements for work to be performed.
2. Promote improved liaison and coordination between elements concerned with identical or similar subject matter who are using the services of the Machine Records Division.
3. Conduct a continuing review of all projects for improvement of reports prepared, procedures used, and utilization of equipment.
4. Study the possibility of using electronic data processing machines in order to increase the efficiency and decrease costs of the Machine Records Division.
5. Study methods to eliminate time lost in removal and disposal of used carbons through the use of either mechanical devices or chemically treated paper which produces copies without the use of carbon paper.
6. Adopt a common employee serial number for use in all projects. This would simplify mechanical processing and also would make possible a substantially increased number of consolidated management reports through the combined use of personnel, payroll, and accounting files.
7. Propose that separate retirement records on employees paid from vouchered and unvouchered funds be maintained in a centralized retirement unit and, by using a common employee serial number, develop machine procedures that will make possible the combining of retirement deductions for posting and balancing purposes.
8. Adopt a procedure for the mechanical preparation of lists of employees due periodic step increases and Form 1126, Payroll Change Slips, for these employees.
9. Establish for the DD/P a position file for overseas personnel. Reports produced from this file would reflect anticipated date of return of overseas employees, proposed Headquarters assignments, replacements required, and related statistics.
10. Establish a security admission card file. This would furnish the reports covering types of recipients, offices visited, reasons for and length of visits, frequency of visits, and other related information.
11. Effect further development of mechanical application of Group Hospitalization records and complete mechanization of all Agency insurance records.
12. Induce more elements serviced to accept historical reports with information spaced 8 instead of 6 lines to each inch of paper. The amount of paper used in producing these reports would be reduced by 25%.

FINANCIAL MANAGEMENT AND CONTROLS

Accomplishments for Fiscal Year 1954

1. Developed Manual of General Ledger Accounts for the Fiscal Division of this Office prescribing new accounting system for that Division and placed in effect 1 July 1954.
2. Developed Handbook for Decentralized Installations of the Finance Division of this Office setting forth procedures for completely decentralized accounting operations relating to confidential funds. The decentralized installation procedure has been made effective at one field location effective 1 July 1954 on an experimental basis to determine its basic practicability in the present form and to ascertain necessity for modifications in the prescribed method of operation. When and if the decentralized installation procedure is determined satisfactory for further implementation, present plans contemplate utilizing the first installation as a training site for finance personnel required at other locations.
3. Developed and installed in collaboration with the former Office of General Services a system for obtaining costs of production on a cost analysis basis for application at the Agency's printing and reproduction plant.
4. Developed and installed, effective as of 1 July 1953, a procedure for maintenance by allottees in all staffs and area divisions in one of the larger offices of the Agency, of decentralized control records over confidential funds allotments. The procedure, initially designed by this Office, was published as a Clandestine Services Instruction for application within the major office involved. It has since been made available to and installed in several other Agency components as the result of Technical Accounting Staff activities, and further extension to other unvouchered funds allottees is contemplated.
5. Participated with Management Office in comprehensive survey of administrative operations performed in all staffs and area divisions of one of the larger offices of the Agency with the objective of ascertaining (a) the extent to which administrative functions of such components represent duplications of activities performed by support offices and (b) whether any administrative operations of such components could be simplified or eliminated.
6. Developed a Property Authorization Control Record for maintenance by decentralized allottees to control the volume of property withdrawn from Agency stores against each project authorization. This record was installed in various area divisions of one office of the Agency during 1954 and has been formally authorized for adoption on an optional basis effective as of 1 July 1954 by the issuance of a Clandestine Services Instruction.
7. Designed and installed complete accounting and reporting systems in eight Agency special projects and instructed accounting personnel in the operations of the systems. Also developed and made effective revised procedures for preparing financial reports by seven other special projects.

~~SECRET~~

8. Assisted in developing new or revised plans for the administrative control over approximately 140 special project activities which utilize Agency funds and are either wholly owned by the Agency or carry on operations for the Agency under its prescribed mission.
9. Developed a Field Allotment Control Procedure which has been issued in Field Handbook form for application at all field installations of the Agency effective 1 July 1954.
10. Developed a new Class A Accounting and Reporting Procedure for application at all the larger field installations. This procedure also was issued in Field Handbook form for application at more than twenty specifically designated locations effective 1 July 1954.
11. Developed and installed or assisted in development and/or installation of various detailed new or revised procedures for improvement in Agency operations and management. These detailed procedures are briefly described below under captions which generally classify the nature of the improvements. The procedural improvements listed are in addition to the major items listed above.

a. Allotment Control Record Improvements

- (1) Revised procedure designed and made effective in one office for recording obligations of confidential funds allotments on an obligations incurred basis instead of the expenditure basis previously followed. This change provides for identifying charges against the proper fiscal year's funds and improves the over-all control over the funds allotted.
- (2) Conducted survey of all allotment control procedures in effect over both vouchered and confidential funds allotments in the intelligence offices of the Agency at Headquarters as a preliminary to development and installation of uniform procedures for all allottees in the area.
- (3) Developed and prescribed detailed procedure for control of allotments for procurement activities conducted at a field supply depot.
- (4) Procedure developed and placed in effect in all area divisions and staffs of one major component of the Agency and in several other components for positive identification of obligations recorded by allottees with the related expenditure entries recorded and reported by the Finance Division of this Office.
- (5) Arranged with Transportation Division for issuance of schedules of transportation rates, by major commodity classes, for all principal overseas shipping destinations for use as a guide to allottees in recording estimated transportation obligations on allotment control records on a more realistic basis.
- (6) Arranged to provide allottees with copies of overt and covert payrolls relating to their activities as an aid to them in establishing obligations in allotment control records.

obviate instances wherein personnel are improperly charged to the wrong allotments.

b. Improvements in Financing Operations

- (1) Developed procedure for adjustments of balances of confidential funds withdrawn from prior fiscal year appropriation authorizations which are available for use in subsequent fiscal years so that only the net amount of expenditures properly identifiable against each year's authorization is charged thereto.
 - (2) Developed in collaboration with the Logistics Office a plan for procurement of specific items from General Services Administration and arranged for (a) the transfer of funds to GSA for financing such procurement; (b) replenishment of the GSA working funds, as required; and (c) the rendering of monthly financial reports to the Agency on funds utilized.
12. Established in March 1954 an internal procedure and informal record to better account for outstanding receivables due from other Governmental agencies.
 13. On 4 December 1953 the Finance Division Procedures Committee was established to formalize and publish procedures covering the processing of the various types of transactions through the Finance Division. Eighteen Procedures have been published during the period 4 December 1953 through 30 June 1954 and have provided the personnel of the Finance Division with clear-cut lines of responsibility in the processing of transactions described therein.
 14. During the past year the complete responsibility for the handling of Agent Pay and Allowance Accounts was transferred to the Agent Service Section of Operations and Liaison Branch. Heretofore, the maintenance of the agent's file and the making of cash deposits to the agent's bank account was handled by the various sections of the O&L Branch. The consolidation of these functions under one section has resulted in administrative and operational control over these accounts, as well as reducing traffic in the other O&L Sections.
 15. Established an Account for the recordation of advance account balances due from or to individuals who are no longer connected with the Agency, and devised a procedure to insure a monthly review and follow-up of accounts included therein.

B. Objectives for Fiscal Year 1955

1. The further development and installation of improved procedures for the maintenance of control over unvouchered allotments by allottees throughout the Headquarters area, as well as the refinement of field allotment control procedures released for implementation effective as of 1 July 1954.

2. Development of manual procedures for financial and accounting control of Agency property for application at all locations not served by the machine methods procedures previously installed for this purpose at Headquarters and one field location.
3. Continuation of the program for developing and installing adequate accounting and financial reporting systems in all special projects of the Agency, both domestic and overseas, as well as continued efforts toward improving the accounting and financial reporting procedures of projects where systems are currently in operation.
4. Revision of unvouchered funds cost report to provide more useful data for management officials, with special attention directed to the requirements of allottees relative to value of property issuances from stores.
5. Development and issuance of procedures whereby proceeds received by the Agency from the sale of property may be utilized toward the cost of replacements of the property disposed of.
6. To continue to improve, define, and publish the internal Finance Division Operating Procedures.

PROCEDURAL METHODS AND TECHNIQUES

A. Accomplishments for Fiscal Year 1954

1. Prepared and transmitted for release under Agency regulatory issuances a wide range of fiscal and related policy and procedural material. These included (a) Field Handbook - Field Allotment Control Procedure; (b) Field Handbook - Financial and Accounting Procedures for Property--Machine Method; (c) Field Handbook - Class A Accounting and Reporting Procedure; (d) regulations under the TRAVEL series relating to performance of travel and per diem and under the General Services series relative to penalty indicia mail; and (e) many regulatory provisions relating to financing and accounting policies and procedures.
2. Procedure developed for the recordation of advances made to contractors based upon audits performed by the Finance Division of this Office.
3. Procedure designed for placing prefix symbols on serial numbers of contractual documents to identify the type of funds to be utilized in making payments to the contractor.
4. Developed procedure for reimbursing the Post Office Department for penalty indicia mailings of the Agency and for preparing interim and annual reports on (a) such mailings, (b) procurements or penalty indicia matter by the Agency, and (c) inventories of penalty indicia matter on hand.
5. Procedure developed whereby funds received from employees transferring to CIA from other agencies by the Finance Division representing refunds of lump sum leave payments made by other agencies are credited to the appropriated funds of CIA, as authorized by law, instead of covered into miscellaneous receipts of the Treasury as formerly required.
6. Procedure placed in effect for processing receipts of proceeds of insurance claims resulting from damages to insured Agency property.
7. Procedure revised for payrolling agents attached to special projects of the Agency to obviate duplicate allotment expenditure charges which occurred based on previous procedure.
8. Prescribed for maintenance at Class A field installations of memorandum accounting controls over grants to special project activities in cases where the grantee projects are required to render reports on utilization of the funds provided.
9. Developed interim procedure to improve recordation on Agency books of real estate and construction activities under Agency control. This matter will require further attention to effect more adequate internal control techniques over the real estate investments of the Agency.
10. Reporting procedure developed and issued to field locations relative to utilization by employee groups, as authorized by decisions of the Comptroller

General, of proceeds from vending machines purchased and operated by, and for the benefit of, such employee groups.

11. Procedure prescribed for the maintenance of suspended leave accounts for individuals whose cover precludes utilization of leave before forfeiture is required.
12. Developed revisions of monthly detailed cost reports based on confidential funds allotment accounts maintained by the Finance Division to more adequately meet anticipated needs. This report is now receiving further study with the objective of revising the report to provide specific data relative to property issuances in various commodity groupings which conform to over-all allotments of funds for procurement purposes.
13. Responsibility for payment of allowances to field personnel decentralized to larger field installations and complete procedures issued for operations at field locations. This matter was developed after a comprehensive study of feasibility of decentralizing the payment of payrolls relative to field personnel to major field installations which concluded that more efficient payrolling operations can be performed on a centralized basis because of security problems incident to Agency activities, but that the allowances can be more efficiently paid by field installations.
14. Prepared proposal which was approved for implementation by the Deputy Director (Administration) to provide relief to accountable and disbursing officers for shortages and losses where no negligence or malfeasance is involved. Board of Review established and is now functioning to recommend action on individual cases to the DD/A and regulations for Headquarters and field are in process of preparation to cover the handling of losses or shortage cases.
15. During the year there was inaugurated a new and improved procedure for informing each individual on the overt payroll, by means of an IBM card, of the amounts of his gross earnings, deductions, and net pay for each pay period.
16. A formalized clearance procedure was installed under control of the Operations and Liaison Branch, Finance Division, to insure that accounts of personnel separating from the Agency were closed or action to clear the accounts was initiated. This procedure should eliminate the problem of corresponding with former Agency personnel regarding their outstanding indebtedness to the Agency.
17. An effective follow-up system was established to insure action on memoranda, dispatches, accountings, and outstanding receipts on advances.
18. A new Time and Attendance Form to record an employee's status for a four-week period was devised for the Unvouchered Funds Payroll. This form saves considerable time and effort of the Payroll Clerks in the processing of the four-week payroll.

B. Objectives for Fiscal Year 1955

1. The publication of Agency regulatory issuances relating to fiscal policies and procedures will receive particular attention with the objective of releasing new regulations at an early date to supersede the remaining Confidential Funds Regulations which are still extant.
2. Further effort toward improvement in procedures for processing receiving reports representing evidence of materials and services furnished to the Agency from other Governmental agencies.
3. Survey of present systems in Fiscal Division of this Office to effect improvement in accounting results and techniques followed, including determination as to feasibility of extended utilization of electric accounting machines.
4. Completion and implementation of improved procedures for the maintenance of accounts for advances to other Governmental agencies and private contractors in connection with procurement agreements for materials and services.
5. Conclude determination as to the feasibility of a revised leave accounting system for Agency vouchered fund employees under either one of the two methods which have been under experimentation during 1954; namely, a manually maintained decentralized procedure, or a punch card procedure utilizing electric accounting machines.
6. Improved procedures for accounting for advances of unvouchered funds whereby information will be available regarding the current status of outstanding balances.
7. Implementation of procedures to effect control over allotments for transportation of Agency property.

ASSIGNMENT, TRAINING, AND UTILIZATION OF PERSONNEL

A. Accomplishments for Fiscal Year 1954

1. In January 1954, initiated the preparation of a monthly statement of account regarding Fiscal and Finance Divisions' reciprocal accounts which provided a better coordinated method of reconciling the accounts, thus saving many accounting man-hours.
2. The distribution and control of all U. S. Government Transportation Requests issued by this Agency was transferred from the Transportation Division to the Fiscal Division, which has resulted in the savings of many clerical man-hours which were formerly consumed in making telephone calls to trace missing TR's and to check gaps in the numbers.
3. Consolidated the time, leave, pay, and retirement functions formerly handled by a number of payroll groups into one section, thereby saving many clerical man-hours by this specialization placing such functions and records in one central spot.
4. Twenty-two field Certifying Officers were appointed during the period 1 July 1953 through 30 June 1954 for the certification of accounts at the field stations. These appointments make possible the extension of the Office of Audit's Field Audit Program to 16 additional overseas stations.
5. The Management Improvement Staff initiated a Work Measurement Survey in four of the Finance Division Branches, and work units and work standards are currently being formulated for use in providing supervisory personnel with factual information regarding the status and progress of their activities.
6. The Operations and Liaison Branch operating structure was reorganized in October 1953. Specifically, this involved the abolishment of the Current Audit Section and the establishment of five operational components under an Operations and Liaison Officer for one or more specific geographical areas or staff functions. This reorganization has resulted in the Certifying Officers and Auditors becoming more thoroughly familiar with the financial operations of stations, projects and agents being serviced by them.
7. An on-the-job Training Program for Area Division personnel who will handle Agency unvouchered funds has been established in the Comptroller's Office. The Area Divisions have been advised that a minimum of four weeks on-the-job training in Finance Division is required to provide minimum proficiency for untrained personnel in the maintenance of finance records. The Area Divisions are cooperating in most instances with this program.
8. Personnel of the Comptroller's Office have, to the maximum extent possible, been enrolled in Office of Training courses which are considered a

~~SECRET~~

requirement for overseas assignment and career development. As a result of this program, the Office now has a pool of personnel available for assignment overseas who meet the Agency training requirements. New employees and personnel returning from the field who have not received such training are being enrolled in the required courses before being assigned to Headquarters duties.

9. Continued a training program for all Tabulating Equipment Operators. Arrangements made with the local office of IBM through Office of Training to provide technical training in all types of tabulating equipment for our personnel were continued at no cost to the Agency. To date, 89 persons have completed these courses, of which 25 were in Fiscal Year 1954.
10. Continued a Machine Records training program for supervisory personnel. Arrangements with IBM and the Office of Training whereby supervisory personnel are given a special course in the management of a tabulating machine installation were continued. This course is conducted at Endicott, New York, and the only cost to the Agency is for transportation and per diem while traveling. To date ten persons have completed this course, of which two were in Fiscal Year 1954.
11. Devised a method for establishing monthly weighted performance standards for Key Punch and Verifying Machine Operators. Because of variations in legibility and design of basic documents and number of columns punched or verified in each of the approximately 60 jobs processed monthly, routine production reports cannot be used to determine operator efficiency. Development of weighted standards has made it possible to evaluate the performance of each operator in comparison to over-all production of the Key Punch and Verifying Branch, Machine Records Division.
12. Recruited and furnished three trained Tabulating Equipment Operators and Supervisors for special electrical accounting machine installations in Europe and Far East. At the request of FE and Communications, personnel for these installations were recruited and trained by this Office.

B. Objectives for Fiscal Year 1955

1. Continued effort toward placement in key fiscal and accounting positions in decentralized Agency activities of competent Comptroller-type personnel to provide for the maintenance of adequate accounting and reporting procedures to assure proper safeguards of Agency funds.
2. To obtain the assignment of trained Finance personnel to the maximum number of field stations permitted by personnel and cover conditions.
3. To improve the Rotation Program of the Finance Division in order to inform employees at the earliest possible moment regarding their future assignments.
4. To formalize and strengthen the Training Programs for Budget and Finance personnel.
5. Continue the Training Program to provide technical operating instruction for employees of the Machine Records Division.

6. Familiarize Recruitment and Personnel Officers with the type of employee required for successful MachineRecords operations and orient selected Agency personnel with the operations performed and services available in the Machine Records Division.